

H. Res. 590

In the House of Representatives, U.S.,

September 25, 2000.

Resolved, That upon the adoption of this resolution the House shall be considered to have taken from the Speaker's table the bill H.R. 2392, with the amendment of the Senate thereto, and to have concurred in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the Senate, insert the following:

1 SECTION 1. TABLE OF CONTENTS.

2 The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—SMALL BUSINESS INNOVATION RESEARCH PROGRAM

Sec. 101. Short title.

Sec. 102. Findings.

Sec. 103. Extension of SBIR program.

Sec. 104. Annual report.

Sec. 105. Third phase assistance.

Sec. 106. Report on programs for annual performance plan.

Sec. 107. Output and outcome data.

Sec. 108. National Research Council reports.

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TITLE II—GENERAL BUSINESS LOAN PROGRAM

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 Sec. 202. Levels of participation.
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 Sec. 204. Interest on defaulted loans.
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TITLE III—CERTIFIED DEVELOPMENT COMPANY PROGRAM

Sec. 301. Short title.
 Sec. 302. Women-owned businesses.
 Sec. 303. Maximum debenture size.
 Sec. 304. Fees.
 Sec. 305. Premier certified lenders program.
 Sec. 306. Sale of certain defaulted loans.
 Sec. 307. Loan liquidation.

TITLE IV—CORRECTIONS TO THE SMALL BUSINESS INVESTMENT ACT OF 1958

Sec. 401. Short title.
 Sec. 402. Definitions.
 Sec. 403. Investment in small business investment companies.
 Sec. 404. Subsidy fees.
 Sec. 405. Distributions.
 Sec. 406. Conforming amendment.

TITLE V—REAUTHORIZATION OF SMALL BUSINESS PROGRAMS

Sec. 501. Short title.
 Sec. 502. Reauthorization of small business programs.
 Sec. 503. Additional reauthorizations.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Loan application processing.
 Sec. 602. Application of ownership requirements.
 Sec. 603. Eligibility for HUBZone program.
 Sec. 604. Subcontracting preference for veterans.
 Sec. 605. Small business development center program funding.
 Sec. 606. Surety bonds.

1 **TITLE I—SMALL BUSINESS INNO-** 2 **VATION RESEARCH PROGRAM**

3 **SECTION 101. SHORT TITLE.**

4 (a) SHORT TITLE.—This title may be cited as the
 5 “Small Business Innovation Research Program Reauthor-
 6 ization Act of 2000”.

1 **SEC. 102. FINDINGS.**

2 Congress finds that—

3 (1) the small business innovation research pro-
4 gram established under the Small Business Innova-
5 tion Development Act of 1982, and reauthorized by
6 the Small Business Research and Development En-
7 hancement Act of 1992 (in this Act referred to as
8 the “SBIR program”) is highly successful in involv-
9 ing small businesses in federally funded research
10 and development;

11 (2) the SBIR program made the cost-effective
12 and unique research and development capabilities
13 possessed by the small businesses of the Nation
14 available to Federal agencies and departments;

15 (3) the innovative goods and services developed
16 by small businesses that participated in the SBIR
17 program have produced innovations of critical impor-
18 tance in a wide variety of high-technology fields, in-
19 cluding biology, medicine, education, and defense;

20 (4) the SBIR program is a catalyst in the pro-
21 motion of research and development, the commer-
22 cialization of innovative technology, the development
23 of new products and services, and the continued ex-
24 cellence of this Nation’s high-technology industries;
25 and

1 (5) the continuation of the SBIR program will
2 provide expanded opportunities for one of the Na-
3 tion’s vital resources, its small businesses, will foster
4 invention, research, and technology, will create jobs,
5 and will increase this Nation’s competitiveness in
6 international markets.

7 **SEC. 103. EXTENSION OF SBIR PROGRAM.**

8 Section 9(m) of the Small Business Act (15 U.S.C.
9 638(m)) is amended to read as follows:

10 “(m) TERMINATION.—The authorization to carry out
11 the Small Business Innovation Research Program estab-
12 lished under this section shall terminate on September 30,
13 2008.”.

14 **SEC. 104. ANNUAL REPORT.**

15 Section 9(b)(7) of the Small Business Act (15 U.S.C.
16 638(b)(7)) is amended by striking “and the Committee on
17 Small Business of the House of Representatives” and in-
18 serting “, and to the Committee on Science and the Com-
19 mittee on Small Business of the House of Representa-
20 tives,”.

21 **SEC. 105. THIRD PHASE ASSISTANCE.**

22 Section 9(e)(4)(C)(i) of the Small Business Act (15
23 U.S.C. 638(e)(4)(C)(i)) is amended by striking “; and”
24 and inserting “; or”.

1 **SEC. 106. REPORT ON PROGRAMS FOR ANNUAL PERFORM-**
2 **ANCE PLAN.**

3 Section 9(g) of the Small Business Act (15 U.S.C.
4 638(g)) is amended—

5 (1) in paragraph (7), by striking “and” at the
6 end;

7 (2) in paragraph (8), by striking the period at
8 the end and inserting a semicolon; and

9 (3) by adding at the end the following new
10 paragraph:

11 “(9) include, as part of its annual performance
12 plan as required by subsections (a) and (b) of sec-
13 tion 1115 of title 31, United States Code, a section
14 on its SBIR program, and shall submit such section
15 to the Committee on Small Business of the Senate,
16 and the Committee on Science and the Committee
17 on Small Business of the House of Representatives;
18 and”.

19 **SEC. 107. OUTPUT AND OUTCOME DATA.**

20 (a) COLLECTION.—Section 9(g) of the Small Busi-
21 ness Act (15 U.S.C. 638(g)), as amended by section 106
22 of this Act, is further amended by adding at the end the
23 following new paragraph:

24 “(10) collect, and maintain in a common format
25 in accordance with subsection (v), such information
26 from awardees as is necessary to assess the SBIR

1 program, including information necessary to main-
2 tain the database described in subsection (k).”.

3 (b) REPORT TO CONGRESS.—Section 9(b)(7) of the
4 Small Business Act (15 U.S.C. 638(b)(7)), as amended
5 by section 104 of this Act, is further amended by inserting
6 before the period at the end “, including the data on out-
7 put and outcomes collected pursuant to subsections
8 (g)(10) and (o)(9), and a description of the extent to
9 which Federal agencies are providing in a timely manner
10 information needed to maintain the database described in
11 subsection (k)”.

12 (c) DATABASE.—Section 9(k) of the Small Business
13 Act (15 U.S.C. 638(k)) is amended to read as follows:

14 “(k) DATABASE.—

15 “(1) PUBLIC DATABASE.—Not later than 180
16 days after the date of enactment of the Small Busi-
17 ness Innovation Research Program Reauthorization
18 Act of 2000, the Administrator shall develop, main-
19 tain, and make available to the public a searchable,
20 up-to-date, electronic database that includes—

21 “(A) the name, size, location, and an iden-
22 tifying number assigned by the Administrator,
23 of each small business concern that has received
24 a first phase or second phase SBIR award from
25 a Federal agency;

1 “(B) a description of each first phase or
2 second phase SBIR award received by that
3 small business concern, including—

4 “(i) an abstract of the project funded
5 by the award, excluding any proprietary in-
6 formation so identified by the small busi-
7 ness concern;

8 “(ii) the Federal agency making the
9 award; and

10 “(iii) the date and amount of the
11 award;

12 “(C) an identification of any business con-
13 cern or subsidiary established for the commer-
14 cial application of a product or service for
15 which an SBIR award is made; and

16 “(D) information regarding mentors and
17 Mentoring Networks, as required by section
18 35(d).

19 “(2) GOVERNMENT DATABASE.—Not later than
20 180 days after the date of enactment of the Small
21 Business Innovation Research Program Reauthoriza-
22 tion Act of 2000, the Administrator, in consultation
23 with Federal agencies required to have an SBIR
24 program pursuant to subsection (f)(1), shall develop

1 and maintain a database to be used solely for SBIR
2 program evaluation that—

3 “(A) contains for each second phase award
4 made by a Federal agency—

5 “(i) information collected in accord-
6 ance with paragraph (3) on revenue from
7 the sale of new products or services result-
8 ing from the research conducted under the
9 award;

10 “(ii) information collected in accord-
11 ance with paragraph (3) on additional in-
12 vestment from any source, other than first
13 phase or second phase SBIR or STTR
14 awards, to further the research and devel-
15 opment conducted under the award; and

16 “(iii) any other information received
17 in connection with the award that the Ad-
18 ministrator, in conjunction with the SBIR
19 program managers of Federal agencies,
20 considers relevant and appropriate;

21 “(B) includes any narrative information
22 that a small business concern receiving a second
23 phase award voluntarily submits to further de-
24 scribe the outputs and outcomes of its awards;

1 “(C) includes for each applicant for a first
2 phase or second phase award that does not re-
3 ceive such an award—

4 “(i) the name, size, and location, and
5 an identifying number assigned by the Ad-
6 ministration;

7 “(ii) an abstract of the project; and

8 “(iii) the Federal agency to which the
9 application was made;

10 “(D) includes any other data collected by
11 or available to any Federal agency that such
12 agency considers may be useful for SBIR pro-
13 gram evaluation; and

14 “(E) is available for use solely for program
15 evaluation purposes by the Federal Government
16 or, in accordance with policy directives issued
17 by the Administration, by other authorized per-
18 sons who are subject to a use and nondisclosure
19 agreement with the Federal Government cov-
20 ering the use of the database.

21 “(3) UPDATING INFORMATION FOR DATA-
22 BASE.—

23 “(A) IN GENERAL.—A small business con-
24 cern applying for a second phase award under
25 this section shall be required to update informa-

tion in the database established under this subsection for any prior second phase award received by that small business concern. In complying with this paragraph, a small business concern may apportion sales or additional investment information relating to more than one second phase award among those awards, if it notes the apportionment for each award.

“(B) ANNUAL UPDATES UPON TERMINATION.—A small business concern receiving a second phase award under this section shall—

“(i) update information in the database concerning that award at the termination of the award period; and

“(ii) be requested to voluntarily update such information annually thereafter for a period of 5 years.

“(4) PROTECTION OF INFORMATION.—Information provided under paragraph (2) shall be considered privileged and confidential and not subject to disclosure pursuant to section 552 of title 5, United States Code.

“(5) RULE OF CONSTRUCTION.—Inclusion of information in the database under this subsection shall not be considered to be publication for pur-

1 poses of subsection (a) or (b) of section 102 of title
2 35, United States Code.”.

3 **SEC. 108. NATIONAL RESEARCH COUNCIL REPORTS.**

4 (a) STUDY AND RECOMMENDATIONS.—The head of
5 each agency with a budget of more than \$50,000,000 for
6 its SBIR program for fiscal year 1999, in consultation
7 with the Small Business Administration, shall, not later
8 than 6 months after the date of enactment of this Act,
9 cooperatively enter into an agreement with the National
10 Academy of Sciences for the National Research Council
11 to—

12 (1) conduct a comprehensive study of how the
13 SBIR program has stimulated technological innova-
14 tion and used small businesses to meet Federal re-
15 search and development needs, including—

16 (A) a review of the value to the Federal re-
17 search agencies of the research projects being
18 conducted under the SBIR program, and of the
19 quality of research being conducted by small
20 businesses participating under the program, in-
21 cluding a comparison of the value of projects
22 conducted under the SBIR program to those
23 funded by other Federal research and develop-
24 ment expenditures;

1 (B) to the extent practicable, an evaluation
2 of the economic benefits achieved by the SBIR
3 program, including the economic rate of return,
4 and a comparison of the economic benefits, in-
5 cluding the economic rate of return, achieved by
6 the SBIR program with the economic benefits,
7 including the economic rate of return, of other
8 Federal research and development expenditures;

9 (C) an evaluation of the noneconomic bene-
10 fits achieved by the SBIR program over the life
11 of the program;

12 (D) a comparison of the allocation for fis-
13 cal year 2000 of Federal research and develop-
14 ment funds to small businesses with such allo-
15 cation for fiscal year 1983, and an analysis of
16 the factors that have contributed to such alloca-
17 tion; and

18 (E) an analysis of whether Federal agen-
19 cies, in fulfilling their procurement needs, are
20 making sufficient effort to use small businesses
21 that have completed a second phase award
22 under the SBIR program; and

23 (2) make recommendations with respect to—

24 (A) measures of outcomes for strategic
25 plans submitted under section 306 of title 5,

1 United States Code, and performance plans
2 submitted under section 1115 of title 31,
3 United States Code, of each Federal agency
4 participating in the SBIR program;

5 (B) whether companies who can dem-
6 onstrate project feasibility, but who have not re-
7 ceived a first phase award, should be eligible for
8 second phase awards, and the potential impact
9 of such awards on the competitive selection
10 process of the program;

11 (C) whether the Federal Government
12 should be permitted to recoup some or all of its
13 expenses if a controlling interest in a company
14 receiving an SBIR award is sold to a foreign
15 company or to a company that is not a small
16 business concern;

17 (D) how to increase the use by the Federal
18 Government in its programs and procurements
19 of technology-oriented small businesses; and

20 (E) improvements to the SBIR program, if
21 any are considered appropriate.

22 (b) PARTICIPATION BY SMALL BUSINESS.—

23 (1) IN GENERAL.—In a manner consistent with
24 law and with National Research Council study
25 guidelines and procedures, knowledgeable individuals

1 from the small business community with experience
2 in the SBIR program shall be included—

3 (A) in any panel established by the Na-
4 tional Research Council for the purpose of per-
5 forming the study conducted under this section;
6 and

7 (B) among those who are asked by the Na-
8 tional Research Council to peer review the
9 study.

10 (2) CONSULTATION.—To ensure that the con-
11 cerns of small business are appropriately considered
12 under this subsection, the National Research Council
13 shall consult with and consider the views of the Of-
14 fice of Technology and the Office of Advocacy of the
15 Small Business Administration and other interested
16 parties, including entities, organizations, and indi-
17 viduals actively engaged in enhancing or developing
18 the technological capabilities of small business con-
19 cerns.

20 (c) PROGRESS REPORTS.—The National Research
21 Council shall provide semiannual progress reports on the
22 study conducted under this section to the Committee on
23 Science and the Committee on Small Business of the
24 House of Representatives, and to the Committee on Small
25 Business of the Senate.

1 (d) REPORT.—The National Research Council shall
 2 transmit to the heads of agencies entering into an agree-
 3 ment under this section and to the Committee on Science
 4 and the Committee on Small Business of the House of
 5 Representatives, and to the Committee on Small Business
 6 of the Senate—

7 (1) not later than 3 years after the date of en-
 8 actment of this Act, a report including the results of
 9 the study conducted under subsection (a)(1) and rec-
 10 ommendations made under subsection (a)(2); and

11 (2) not later than 6 years after that date of en-
 12 actment, an update of such report.

13 **SEC. 109. FEDERAL AGENCY EXPENDITURES FOR THE SBIR**
 14 **PROGRAM.**

15 Section 9(i) of the Small Business Act (15 U.S.C.
 16 638(i)) is amended—

17 (1) by striking “(i) Each Federal” and insert-
 18 ing the following:

19 “(i) ANNUAL REPORTING.—

20 “(1) IN GENERAL.—Each Federal”; and

21 (2) by adding at the end the following:

22 “(2) CALCULATION OF EXTRAMURAL BUDG-
 23 ET.—

24 “(A) METHODOLOGY.—Not later than 4
 25 months after the date of enactment of each ap-

1 appropriations Act for a Federal agency required
 2 by this section to have an SBIR program, the
 3 Federal agency shall submit to the Adminis-
 4 trator a report, which shall include a descrip-
 5 tion of the methodology used for calculating the
 6 amount of the extramural budget of that Fed-
 7 eral agency.

8 “(B) ADMINISTRATOR’S ANALYSIS.—The
 9 Administrator shall include an analysis of the
 10 methodology received from each Federal agency
 11 referred to in subparagraph (A) in the report
 12 required by subsection (b)(7).”.

13 **SEC. 110. POLICY DIRECTIVE MODIFICATIONS.**

14 Section 9(j) of the Small Business Act (15 U.S.C.
 15 638(j)) is amended by adding at the end the following:

16 “(3) ADDITIONAL MODIFICATIONS.—Not later
 17 than 120 days after the date of enactment of the
 18 Small Business Innovation Research Program Reau-
 19 thorization Act of 2000, the Administrator shall
 20 modify the policy directives issued pursuant to this
 21 subsection—

22 “(A) to clarify that the rights provided for
 23 under paragraph (2)(A) apply to all Federal
 24 funding awards under this section, including
 25 the first phase (as described in subsection

1 (e)(4)(A)), the second phase (as described in
2 subsection (e)(4)(B)), and the third phase (as
3 described in subsection (e)(4)(C));

4 “(B) to provide for the requirement of a
5 succinct commercialization plan with each appli-
6 cation for a second phase award that is moving
7 toward commercialization;

8 “(C) to require agencies to report to the
9 Administration, not less frequently than annu-
10 ally, all instances in which an agency pursued
11 research, development, or production of a tech-
12 nology developed by a small business concern
13 using an award made under the SBIR program
14 of that agency, and determined that it was not
15 practicable to enter into a follow-on non-SBIR
16 program funding agreement with the small
17 business concern, which report shall include, at
18 a minimum—

19 “(i) the reasons why the follow-on
20 funding agreement with the small business
21 concern was not practicable;

22 “(ii) the identity of the entity with
23 which the agency contracted to perform
24 the research, development, or production;
25 and

1 “(iii) a description of the type of
 2 funding agreement under which the re-
 3 search, development, or production was ob-
 4 tained; and

5 “(D) to implement subsection (v), includ-
 6 ing establishing standardized procedures for the
 7 provision of information pursuant to subsection
 8 (k)(3).”.

9 **SEC. 111. FEDERAL AND STATE TECHNOLOGY PARTNER-**
 10 **SHIP PROGRAM.**

11 (a) FINDINGS.—Congress finds that—

12 (1) programs to foster economic development
 13 among small high-technology firms vary widely
 14 among the States;

15 (2) States that do not aggressively support the
 16 development of small high-technology firms, includ-
 17 ing participation by small business concerns in the
 18 SBIR program, are at a competitive disadvantage in
 19 establishing a business climate that is conducive to
 20 technology development; and

21 (3) building stronger national, State, and local
 22 support for science and technology research in these
 23 disadvantaged States will expand economic opportu-
 24 nities in the United States, create jobs, and increase

1 the competitiveness of the United States in the
2 world market.

3 (b) FEDERAL AND STATE TECHNOLOGY PARTNER-
4 SHIP PROGRAM.—The Small Business Act (15 U.S.C. 631
5 et seq.) is amended—

6 (1) by redesignating section 34 as section 36;
7 and

8 (2) by inserting after section 33 the following
9 new section:

10 **“SEC. 34. FEDERAL AND STATE TECHNOLOGY PARTNER-**
11 **SHIP PROGRAM.**

12 “(a) DEFINITIONS.—In this section and section 35,
13 the following definitions apply:

14 “(1) APPLICANT.—The term ‘applicant’ means
15 an entity, organization, or individual that submits a
16 proposal for an award or a cooperative agreement
17 under this section.

18 “(2) BUSINESS ADVICE AND COUNSELING.—
19 The term ‘business advice and counseling’ means
20 providing advice and assistance on matters described
21 in section 35(c)(2)(B) to small business concerns to
22 guide them through the SBIR and STTR program
23 process, from application to award and successful
24 completion of each phase of the program.

1 “(3) FAST PROGRAM.—The term ‘FAST pro-
2 gram’ means the Federal and State Technology
3 Partnership Program established under this section.

4 “(4) MENTOR.—The term ‘mentor’ means an
5 individual described in section 35(c)(2).

6 “(5) MENTORING NETWORK.—The term ‘Men-
7 toring Network’ means an association, organization,
8 coalition, or other entity (including an individual)
9 that meets the requirements of section 35(c).

10 “(6) RECIPIENT.—The term ‘recipient’ means a
11 person that receives an award or becomes party to
12 a cooperative agreement under this section.

13 “(7) SBIR PROGRAM.—The term ‘SBIR pro-
14 gram’ has the same meaning as in section 9(e)(4).

15 “(8) STATE.—The term ‘State’ means each of
16 the several States, the District of Columbia, the
17 Commonwealth of Puerto Rico, the Virgin Islands,
18 Guam, and American Samoa.

19 “(9) STTR PROGRAM.—The term ‘STTR pro-
20 gram’ has the same meaning as in section 9(e)(6).

21 “(b) ESTABLISHMENT OF PROGRAM.—The Adminis-
22 trator shall establish a program to be known as the Fed-
23 eral and State Technology Partnership Program, the pur-
24 pose of which shall be to strengthen the technological com-
25 petitiveness of small business concerns in the States.

1 “(c) GRANTS AND COOPERATIVE AGREEMENTS.—

2 “(1) JOINT REVIEW.—In carrying out the
3 FAST program under this section, the Adminis-
4 trator and the SBIR program managers at the Na-
5 tional Science Foundation and the Department of
6 Defense shall jointly review proposals submitted by
7 applicants and may make awards or enter into coop-
8 erative agreements under this section based on the
9 factors for consideration set forth in paragraph (2),
10 in order to enhance or develop in a State—

11 “(A) technology research and development
12 by small business concerns;

13 “(B) technology transfer from university
14 research to technology-based small business
15 concerns;

16 “(C) technology deployment and diffusion
17 benefiting small business concerns;

18 “(D) the technological capabilities of small
19 business concerns through the establishment or
20 operation of consortia comprised of entities, or-
21 ganizations, or individuals, including—

22 “(i) State and local development agen-
23 cies and entities;

24 “(ii) representatives of technology-
25 based small business concerns;

1 “(iii) industries and emerging compa-
2 nies;

3 “(iv) universities; and

4 “(v) small business development cen-
5 ters; and

6 “(E) outreach, financial support, and tech-
7 nical assistance to technology-based small busi-
8 ness concerns participating in or interested in
9 participating in an SBIR program, including
10 initiatives—

11 “(i) to make grants or loans to com-
12 panies to pay a portion or all of the cost
13 of developing SBIR proposals;

14 “(ii) to establish or operate a Men-
15 toring Network within the FAST program
16 to provide business advice and counseling
17 that will assist small business concerns
18 that have been identified by FAST pro-
19 gram participants, program managers of
20 participating SBIR agencies, the Adminis-
21 tration, or other entities that are knowl-
22 edgeable about the SBIR and STTR pro-
23 grams as good candidates for the SBIR
24 and STTR programs, and that would ben-

1 efit from mentoring, in accordance with
2 section 35;

3 “(iii) to create or participate in a
4 training program for individuals providing
5 SBIR outreach and assistance at the State
6 and local levels; and

7 “(iv) to encourage the commercializa-
8 tion of technology developed through SBIR
9 program funding.

10 “(2) SELECTION CONSIDERATIONS.—In making
11 awards or entering into cooperative agreements
12 under this section, the Administrator and the SBIR
13 program managers referred to in paragraph (1)—

14 “(A) may only consider proposals by appli-
15 cants that intend to use a portion of the Fed-
16 eral assistance provided under this section to
17 provide outreach, financial support, or technical
18 assistance to technology-based small business
19 concerns participating in or interested in par-
20 ticipating in the SBIR program; and

21 “(B) shall consider, at a minimum—

22 “(i) whether the applicant has dem-
23 onstrated that the assistance to be pro-
24 vided would address unmet needs of small
25 business concerns in the community, and

1 whether it is important to use Federal
2 funding for the proposed activities;

3 “(ii) whether the applicant has dem-
4 onstrated that a need exists to increase the
5 number or success of small high-technology
6 businesses in the State, as measured by
7 the number of first phase and second
8 phase SBIR awards that have historically
9 been received by small business concerns in
10 the State;

11 “(iii) whether the projected costs of
12 the proposed activities are reasonable;

13 “(iv) whether the proposal integrates
14 and coordinates the proposed activities
15 with other State and local programs assist-
16 ing small high-technology firms in the
17 State; and

18 “(v) the manner in which the appli-
19 cant will measure the results of the activi-
20 ties to be conducted.

21 “(3) PROPOSAL LIMIT.—Not more than 1 pro-
22 posal may be submitted for inclusion in the FAST
23 program under this section to provide services in any
24 one State in any 1 fiscal year.

1 “(4) PROCESS.—Proposals and applications for
2 assistance under this section shall be in such form
3 and subject to such procedures as the Administrator
4 shall establish.

5 “(d) COOPERATION AND COORDINATION.—In car-
6 rying out the FAST program under this section, the Ad-
7 ministrator shall cooperate and coordinate with—

8 “(1) Federal agencies required by section 9 to
9 have an SBIR program; and

10 “(2) entities, organizations, and individuals ac-
11 tively engaged in enhancing or developing the tech-
12 nological capabilities of small business concerns,
13 including—

14 “(A) State and local development agencies
15 and entities;

16 “(B) State committees established under
17 the Experimental Program to Stimulate Com-
18 petitive Research of the National Science Foun-
19 dation (as established under section 113 of the
20 National Science Foundation Authorization Act
21 of 1988 (42 U.S.C. 1862g));

22 “(C) State science and technology councils;
23 and

24 “(D) representatives of technology-based
25 small business concerns.

1 “(e) ADMINISTRATIVE REQUIREMENTS.—

2 “(1) COMPETITIVE BASIS.—Awards and cooper-
 3 ative agreements under this section shall be made or
 4 entered into, as applicable, on a competitive basis.

5 “(2) MATCHING REQUIREMENTS.—

6 “(A) IN GENERAL.—The non-Federal
 7 share of the cost of an activity (other than a
 8 planning activity) carried out using an award or
 9 under a cooperative agreement under this sec-
 10 tion shall be—

11 “(i) 50 cents for each Federal dollar,
 12 in the case of a recipient that will serve
 13 small business concerns located in one of
 14 the 18 States receiving the fewest SBIR
 15 first phase awards (as described in section
 16 9(e)(4)(A));

17 “(ii) except as provided in subpara-
 18 graph (B), 1 dollar for each Federal dollar,
 19 in the case of a recipient that will serve
 20 small business concerns located in one of
 21 the 16 States receiving the greatest num-
 22 ber of such SBIR first phase awards; and

23 “(iii) except as provided in subpara-
 24 graph (B), 75 cents for each Federal dol-
 25 lar, in the case of a recipient that will

1 serve small business concerns located in a
2 State that is not described in clause (i) or
3 (ii) that is receiving such SBIR first phase
4 awards.

5 “(B) LOW-INCOME AREAS.—The non-Fed-
6 eral share of the cost of the activity carried out
7 using an award or under a cooperative agree-
8 ment under this section shall be 50 cents for
9 each Federal dollar that will be directly allo-
10 cated by a recipient described in subparagraph
11 (A) to serve small business concerns located in
12 a qualified census tract, as that term is defined
13 in section 42(d)(5)(C)(ii) of the Internal Rev-
14 enue Code of 1986. Federal dollars not so allo-
15 cated by that recipient shall be subject to the
16 matching requirements of subparagraph (A).

17 “(C) TYPES OF FUNDING.—The non-Fed-
18 eral share of the cost of an activity carried out
19 by a recipient shall be comprised of not less
20 than 50 percent cash and not more than 50
21 percent of indirect costs and in-kind contribu-
22 tions, except that no such costs or contributions
23 may be derived from funds from any other Fed-
24 eral program.

1 “(D) RANKINGS.—For purposes of sub-
2 paragraph (A), the Administrator shall reeval-
3 ate the ranking of a State once every 2 fiscal
4 years, beginning with fiscal year 2001, based on
5 the most recent statistics compiled by the Ad-
6 ministrator.

7 “(3) DURATION.—Awards may be made or co-
8 operative agreements entered into under this section
9 for multiple years, not to exceed 5 years in total.

10 “(f) REPORTS.—

11 “(1) INITIAL REPORT.—Not later than 120
12 days after the date of enactment of the Small Busi-
13 ness Innovation Research Program Reauthorization
14 Act of 2000, the Administrator shall prepare and
15 submit to the Committee on Small Business of the
16 Senate and the Committee on Science and the Com-
17 mittee on Small Business of the House of Rep-
18 resentatives a report, which shall include, with re-
19 spect to the FAST program, including Mentoring
20 Networks—

21 “(A) a description of the structure and
22 procedures of the program;

23 “(B) a management plan for the program;
24 and

1 “(C) a description of the merit-based re-
2 view process to be used in the program.

3 “(2) ANNUAL REPORTS.—The Administrator
4 shall submit an annual report to the Committee on
5 Small Business of the Senate and the Committee on
6 Science and the Committee on Small Business of the
7 House of Representatives regarding—

8 “(A) the number and amount of awards
9 provided and cooperative agreements entered
10 into under the FAST program during the pre-
11 ceding year;

12 “(B) a list of recipients under this section,
13 including their location and the activities being
14 performed with the awards made or under the
15 cooperative agreements entered into; and

16 “(C) the Mentoring Networks and the
17 mentoring database, as provided for under sec-
18 tion 35, including—

19 “(i) the status of the inclusion of
20 mentoring information in the database re-
21 quired by section 9(k); and

22 “(ii) the status of the implementation
23 and description of the usage of the Men-
24 toring Networks.

25 “(g) REVIEWS BY INSPECTOR GENERAL.—

1 “(1) IN GENERAL.—The Inspector General of
2 the Administration shall conduct a review of—

3 “(A) the extent to which recipients under
4 the FAST program are measuring the perform-
5 ance of the activities being conducted and the
6 results of such measurements; and

7 “(B) the overall management and effective-
8 ness of the FAST program.

9 “(2) REPORT.—During the first quarter of fis-
10 cal year 2004, the Inspector General of the Adminis-
11 tration shall submit a report to the Committee on
12 Small Business of the Senate and the Committee on
13 Science and the Committee on Small Business of the
14 House of Representatives on the review conducted
15 under paragraph (1).

16 “(h) PROGRAM LEVELS.—

17 “(1) IN GENERAL.—There is authorized to be
18 appropriated to carry out the FAST program, in-
19 cluding Mentoring Networks, under this section and
20 section 35, \$10,000,000 for each of fiscal years
21 2001 through 2005.

22 “(2) MENTORING DATABASE.—Of the total
23 amount made available under paragraph (1) for fis-
24 cal years 2001 through 2005, a reasonable amount,

1 not to exceed a total of \$500,000, may be used by
 2 the Administration to carry out section 35(d).

3 “(i) TERMINATION.—The authority to carry out the
 4 FAST program under this section shall terminate on Sep-
 5 tember 30, 2005.”.

6 (c) COORDINATION OF TECHNOLOGY DEVELOPMENT
 7 PROGRAMS.—Section 9 of the Small Business Act (15
 8 U.S.C. 638) is amended by adding at the end the fol-
 9 lowing:

10 “(u) COORDINATION OF TECHNOLOGY DEVELOP-
 11 MENT PROGRAMS.—

12 “(1) DEFINITION OF TECHNOLOGY DEVELOP-
 13 MENT PROGRAM.—In this subsection, the term ‘tech-
 14 nology development program’ means—

15 “(A) the Experimental Program to Stimu-
 16 late Competitive Research of the National
 17 Science Foundation, as established under sec-
 18 tion 113 of the National Science Foundation
 19 Authorization Act of 1988 (42 U.S.C. 1862g);

20 “(B) the Defense Experimental Program
 21 to Stimulate Competitive Research of the De-
 22 partment of Defense;

23 “(C) the Experimental Program to Stimu-
 24 late Competitive Research of the Department of
 25 Energy;

1 “(D) the Experimental Program to Stimu-
2 late Competitive Research of the Environmental
3 Protection Agency;

4 “(E) the Experimental Program to Stimu-
5 late Competitive Research of the National Aero-
6 nautics and Space Administration;

7 “(F) the Institutional Development Award
8 Program of the National Institutes of Health;
9 and

10 “(G) the National Research Initiative
11 Competitive Grants Program of the Department
12 of Agriculture.

13 “(2) COORDINATION REQUIREMENTS.—Each
14 Federal agency that is subject to subsection (f) and
15 that has established a technology development pro-
16 gram may, in each fiscal year, review for funding
17 under that technology development program—

18 “(A) any proposal to provide outreach and
19 assistance to 1 or more small business concerns
20 interested in participating in the SBIR pro-
21 gram, including any proposal to make a grant
22 or loan to a company to pay a portion or all of
23 the cost of developing an SBIR proposal, from
24 an entity, organization, or individual located
25 in—

1 “(i) a State that is eligible to partici-
2 pate in that program; or

3 “(ii) a State described in paragraph
4 (3); or

5 “(B) any proposal for the first phase of
6 the SBIR program, if the proposal, though mer-
7 itorious, is not funded through the SBIR pro-
8 gram for that fiscal year due to funding re-
9 straints, from a small business concern located
10 in—

11 “(i) a State that is eligible to partici-
12 pate in a technology development program;
13 or

14 “(ii) a State described in paragraph
15 (3).

16 “(3) ADDITIONALLY ELIGIBLE STATE.—A State
17 referred to in subparagraph (A)(ii) or (B)(ii) of
18 paragraph (2) is a State in which the total value of
19 contracts awarded to small business concerns under
20 all SBIR programs is less than the total value of
21 contracts awarded to small business concerns in a
22 majority of other States, as determined by the Ad-
23 ministrator in biennial fiscal years, beginning with
24 fiscal year 2000, based on the most recent statistics
25 compiled by the Administrator.”.

1 **SEC. 112. MENTORING NETWORKS.**

2 The Small Business Act (15 U.S.C. 631 et seq.) is
3 amended by inserting after section 34, as added by section
4 111(b)(2) of this Act, the following new section:

5 **“SEC. 35. MENTORING NETWORKS.**

6 “(a) FINDINGS.—Congress finds that—

7 “(1) the SBIR and STTR programs create
8 jobs, increase capacity for technological innovation,
9 and boost international competitiveness;

10 “(2) increasing the quantity of applications
11 from all States to the SBIR and STTR programs
12 would enhance competition for such awards and the
13 quality of the completed projects; and

14 “(3) mentoring is a natural complement to the
15 FAST program of reaching out to new companies
16 regarding the SBIR and STTR programs as an ef-
17 fective and low-cost way to improve the likelihood
18 that such companies will succeed in such programs
19 in developing and commercializing their research.

20 “(b) AUTHORIZATION FOR MENTORING NET-
21 WORKS.—The recipient of an award or participant in a
22 cooperative agreement under section 34 may use a reason-
23 able amount of such assistance for the establishment of
24 a Mentoring Network under this section.

1 “(c) CRITERIA FOR MENTORING NETWORKS.—A
2 Mentoring Network established using assistance under
3 section 34 shall—

4 “(1) provide business advice and counseling to
5 high technology small business concerns located in
6 the State or region served by the Mentoring Net-
7 work and identified under section 34(c)(1)(E)(ii) as
8 potential candidates for the SBIR or STTR pro-
9 grams;

10 “(2) identify volunteer mentors who—

11 “(A) are persons associated with a small
12 business concern that has successfully com-
13 pleted one or more SBIR or STTR funding
14 agreements; and

15 “(B) have agreed to guide small business
16 concerns through all stages of the SBIR or
17 STTR program process, including providing as-
18 sistance relating to—

19 “(i) proposal writing;

20 “(ii) marketing;

21 “(iii) Government accounting;

22 “(iv) Government audits;

23 “(v) project facilities and equipment;

24 “(vi) human resources;

25 “(vii) third phase partners;

- 1 “(viii) commercialization;
2 “(ix) venture capital networking; and
3 “(x) other matters relevant to the
4 SBIR and STTR programs;
5 “(3) have experience working with small busi-
6 ness concerns participating in the SBIR and STTR
7 programs;
8 “(4) contribute information to the national
9 database referred to in subsection (d); and
10 “(5) agree to reimburse volunteer mentors for
11 out-of-pocket expenses related to service as a mentor
12 under this section.
13 “(d) MENTORING DATABASE.—The Administrator
14 shall—
15 “(1) include in the database required by section
16 9(k)(1), in cooperation with the SBIR, STTR, and
17 FAST programs, information on Mentoring Net-
18 works and mentors participating under this section,
19 including a description of their areas of expertise;
20 “(2) work cooperatively with Mentoring Net-
21 works to maintain and update the database;
22 “(3) take such action as may be necessary to
23 aggressively promote Mentoring Networks under this
24 section; and

1 “(4) fulfill the requirements of this subsection
2 either directly or by contract.”.

3 **SEC. 113. SIMPLIFIED REPORTING REQUIREMENTS.**

4 Section 9 of the Small Business Act (15 U.S.C. 638),
5 as amended by this Act, is further amended by adding
6 at the end the following new subsection:

7 “(v) SIMPLIFIED REPORTING REQUIREMENTS.—The
8 Administrator shall work with the Federal agencies re-
9 quired by this section to have an SBIR program to stand-
10 ardize reporting requirements for the collection of data
11 from SBIR applicants and awardees, including data for
12 inclusion in the database under subsection (k), taking into
13 consideration the unique needs of each agency, and to the
14 extent possible, permitting the updating of previously re-
15 ported information by electronic means. Such require-
16 ments shall be designed to minimize the burden on small
17 businesses.”.

18 **SEC. 114. RURAL OUTREACH PROGRAM EXTENSION.**

19 (a) EXTENSION OF TERMINATION DATE.—Section
20 501(b)(2) of the Small Business Reauthorization Act of
21 1997 (15 U.S.C. 638 note; 111 Stat. 2622) is amended
22 by striking “2001” and inserting “2005”.

23 (b) EXTENSION OF AUTHORIZATION OF APPROPRIA-
24 TIONS.—Section 9(s)(2) of the Small Business Act (15
25 U.S.C. 638(s)(2)) is amended by striking “for fiscal year

1 1998, 1999, 2000, or 2001” and inserting “for each of
 2 the fiscal years 2000 through 2005,”.

3 **TITLE II—GENERAL BUSINESS** 4 **LOAN PROGRAM**

5 **SEC. 201. SHORT TITLE.**

6 This title may be cited as the “Small Business Gen-
 7 eral Business Loan Improvement Act of 2000”.

8 **SEC. 202. LEVELS OF PARTICIPATION.**

9 Section 7(a)(2)(A) of the Small Business Act (15
 10 U.S.C. 636(a)(2)(A)) is amended—

11 (1) in paragraph (i) by striking “\$100,000”
 12 and inserting “\$150,000”; and

13 (2) in paragraph (ii)—

14 (A) by striking “80 percent” and inserting
 15 “85 percent”; and

16 (B) by striking “\$100,000” and inserting
 17 “\$150,000”.

18 **SEC. 203. LOAN AMOUNTS.**

19 Section 7(a)(3)(A) of the Small Business Act (15
 20 U.S.C. 636(a)(3)(A)) is amended by striking “\$750,000,”

21 and inserting, “\$1,000,000 (or if the gross loan amount
 22 would exceed \$2,000,000),”.

1 **SEC. 204. INTEREST ON DEFAULTED LOANS.**

2 Subparagraph (B) of section 7(a)(4) of the Small
3 Business Act (15 U.S.C. 636(a)(4)) is amended by adding
4 at the end the following:

5 “(iii) APPLICABILITY.—Clauses (i)
6 and (ii) shall not apply to loans made on
7 or after October 1, 2000.”.

8 **SEC. 205. PREPAYMENT OF LOANS.**

9 Section 7(a)(4) of the Small Business Act (15 U.S.C.
10 636(a)(4)) is further amended—

11 (1) by striking “(4) INTEREST RATES AND
12 FEES.—” and inserting “(4) INTEREST RATES AND
13 PREPAYMENT CHARGES.—”; and

14 (2) by adding at the end the following:

15 “(C) PREPAYMENT CHARGES.—

16 “(i) IN GENERAL.—A borrower who
17 prepays any loan guaranteed under this
18 subsection shall remit to the Administra-
19 tion a subsidy recoupment fee calculated in
20 accordance with clause (ii) if—

21 “(I) the loan is for a term of not
22 less than 15 years;

23 “(II) the prepayment is vol-
24 untary;

25 “(III) the amount of prepayment
26 in any calendar year is more than 25

1 percent of the outstanding balance of
 2 the loan; and

3 “(IV) the prepayment is made
 4 within the first 3 years after disburse-
 5 ment of the loan proceeds.

6 “(ii) SUBSIDY RECOUPMENT FEE.—
 7 The subsidy recoupment fee charged under
 8 clause (i) shall be—

9 “(I) 5 percent of the amount of
 10 prepayment, if the borrower prepays
 11 during the first year after disburse-
 12 ment;

13 “(II) 3 percent of the amount of
 14 prepayment, if the borrower prepays
 15 during the second year after disburse-
 16 ment; and

17 “(III) 1 percent of the amount of
 18 prepayment, if the borrower prepays
 19 during the third year after disburse-
 20 ment.”.

21 **SEC. 206. GUARANTEE FEES.**

22 Section 7(a)(18)(B) of the Small Business Act (15
 23 U.S.C. 636(a)(18)(B)) is amended to read as follows:

24 “(B) EXCEPTION FOR CERTAIN LOANS.—

1 “(i) IN GENERAL.—Notwithstanding
 2 subparagraph (A), if the total deferred
 3 participation share of a loan guaranteed
 4 under this subsection is less than or equal
 5 to \$150,000, the guarantee fee collected
 6 under subparagraph (A) shall be in an
 7 amount equal to 2 percent of the total de-
 8 ferred participation share of the loan.

9 “(ii) RETENTION OF FEES.—Lenders
 10 participating in the programs established
 11 under this subsection may retain not more
 12 than 25 percent of the fee collected in ac-
 13 cordance with this subparagraph with re-
 14 spect to any loan not exceeding \$150,000
 15 in gross loan amount.”.

16 **SEC. 207. LEASE TERMS.**

17 Section 7(a) of the Small Business Act (15 U.S.C.
 18 636(a)) is further amended by adding at the end the fol-
 19 lowing:

20 “(28) LEASING.—In addition to such other
 21 lease arrangements as may be authorized by the Ad-
 22 ministration, a borrower may permanently lease to
 23 one or more tenants not more than 20 percent of
 24 any property constructed with the proceeds of a loan
 25 guaranteed under this subsection, if the borrower

1 permanently occupies and uses not less than 60 per-
 2 cent of the total business space in the property.”.

3 **TITLE III—CERTIFIED DEVELOP-** 4 **MENT COMPANY PROGRAM**

5 **SEC. 301. SHORT TITLE.**

6 This title may be cited as the “Certified Development
 7 Company Program Improvements Act of 2000”.

8 **SEC. 302. WOMEN-OWNED BUSINESSES.**

9 Section 501(d)(3)(C) of the Small Business Invest-
 10 ment Act (15 U.S.C. 695(d)(3)(C)) is amended by insert-
 11 ing before the comma “or women-owned business develop-
 12 ment”.

13 **SEC. 303. MAXIMUM DEBENTURE SIZE.**

14 Section 502(2) of the Small Business Investment Act
 15 of 1958 (15 U.S.C. 696(2)) is amended to read as follows:

16 “(2) Loans made by the Administration under
 17 this section shall be limited to \$1,000,000 for each
 18 such identifiable small business concern, except
 19 loans meeting the criteria specified in section
 20 501(d)(3), which shall be limited to \$1,300,000 for
 21 each such identifiable small business concern.”.

22 **SEC. 304. FEES.**

23 Section 503(f) of the Small Business Investment Act
 24 of 1958 (15 U.S.C. 697(f)) is amended to read as follows:

1 “(f) EFFECTIVE DATE.—The fees authorized by sub-
 2 sections (b) and (d) shall apply to financings approved by
 3 the Administration on or after October 1, 1996, but shall
 4 not apply to financings approved by the Administration
 5 on or after October 1, 2003.”.

6 **SEC. 305. PREMIER CERTIFIED LENDERS PROGRAM.**

7 Section 217(b) of the Small Business Reauthoriza-
 8 tion and Amendments Act of 1994 (relating to section 508
 9 of the Small Business Investment Act) is repealed.

10 **SEC. 306. SALE OF CERTAIN DEFAULTED LOANS.**

11 Section 508 of the Small Business Investment Act
 12 of 1958 (15 U.S.C. 697e) is amended—

13 (1) in subsection (a), by striking “On a pilot
 14 program basis, the” and inserting “The”;

15 (2) by redesignating subsections (d) through (i)
 16 as subsections (e) through (j), respectively;

17 (3) in subsection (f) (as redesignated by para-
 18 graph (2)), by striking “subsection (f)” and insert-
 19 ing “subsection (g)”;

20 (4) in subsection (h) (as redesignated by para-
 21 graph (2)), by striking “subsection (f)” and insert-
 22 ing “subsection (g)”;

23 (5) by inserting after subsection (c) the fol-
 24 lowing:

25 “(d) SALE OF CERTAIN DEFAULTED LOANS.—

1 “(1) NOTICE.—If, upon default in repayment,
 2 the Administration acquires a loan guaranteed under
 3 this section and identifies such loan for inclusion in
 4 a bulk asset sale of defaulted or repurchased loans
 5 or other financings, it shall give prior notice thereof
 6 to any certified development company which has a
 7 contingent liability under this section. The notice
 8 shall be given to the company as soon as possible
 9 after the financing is identified, but not less than 90
 10 days before the date the Administration first makes
 11 any records on such financing available for examina-
 12 tion by prospective purchasers prior to its offering in
 13 a package of loans for bulk sale.

14 “(2) LIMITATIONS.—The Administration shall
 15 not offer any loan described in paragraph (1) as
 16 part of a bulk sale unless it—

17 “(A) provides prospective purchasers with
 18 the opportunity to examine the Administration’s
 19 records with respect to such loan; and

20 “(B) provides the notice required by para-
 21 graph (1).”.

22 **SEC. 307. LOAN LIQUIDATION.**

23 (a) LIQUIDATION AND FORECLOSURE.—Title V of
 24 the Small Business Investment Act of 1958 (15 U.S.C.

1 695 et seq.) is amended by adding at the end the fol-
 2 lowing:

3 **“SEC. 510. FORECLOSURE AND LIQUIDATION OF LOANS.**

4 “(a) DELEGATION OF AUTHORITY.—In accordance
 5 with this section, the Administration shall delegate to any
 6 qualified State or local development company (as defined
 7 in section 503(e)) that meets the eligibility requirements
 8 of subsection (b)(1) the authority to foreclose and liq-
 9 uidate, or to otherwise treat in accordance with this sec-
 10 tion, defaulted loans in its portfolio that are funded with
 11 the proceeds of debentures guaranteed by the Administra-
 12 tion under section 503.

13 “(b) ELIGIBILITY FOR DELEGATION.—

14 “(1) REQUIREMENTS.—A qualified State or
 15 local development company shall be eligible for a del-
 16 egation of authority under subsection (a) if—

17 “(A) the company—

18 “(i) has participated in the loan liq-
 19 uidation pilot program established by the
 20 Small Business Programs Improvement
 21 Act of 1996 (15 U.S.C. 695 note), as in
 22 effect on the day before promulgation of
 23 final regulations by the Administration im-
 24 plementing this section;

1 “(ii) is participating in the Premier
2 Certified Lenders Program under section
3 508; or

4 “(iii) during the 3 fiscal years imme-
5 diately prior to seeking such a delegation,
6 has made an average of not less than 10
7 loans per year that are funded with the
8 proceeds of debentures guaranteed under
9 section 503; and

10 “(B) the company—

11 “(i) has one or more employees—

12 “(I) with not less than 2 years of
13 substantive, decision-making experi-
14 ence in administering the liquidation
15 and workout of problem loans secured
16 in a manner substantially similar to
17 loans funded with the proceeds of de-
18 bentures guaranteed under section
19 503; and

20 “(II) who have completed a train-
21 ing program on loan liquidation devel-
22 oped by the Administration in con-
23 junction with qualified State and local
24 development companies that meet the
25 requirements of this paragraph; or

1 “(ii) submits to the Administration
2 documentation demonstrating that the
3 company has contracted with a qualified
4 third-party to perform any liquidation ac-
5 tivities and secures the approval of the
6 contract by the Administration with re-
7 spect to the qualifications of the contractor
8 and the terms and conditions of liquidation
9 activities.

10 “(2) CONFIRMATION.—On request the Adminis-
11 tration shall examine the qualifications of any com-
12 pany described in subsection (a) to determine if such
13 company is eligible for the delegation of authority
14 under this section. If the Administration determines
15 that a company is not eligible, the Administration
16 shall provide the company with the reasons for such
17 ineligibility.

18 “(c) SCOPE OF DELEGATED AUTHORITY.—

19 “(1) IN GENERAL.—Each qualified State or
20 local development company to which the Administra-
21 tion delegates authority under section (a) may with
22 respect to any loan described in subsection (a)—

23 “(A) perform all liquidation and fore-
24 closure functions, including the purchase in ac-
25 cordance with this subsection of any other in-

1 debtedness secured by the property securing the
2 loan, in a reasonable and sound manner accord-
3 ing to commercially accepted practices, pursu-
4 ant to a liquidation plan approved in advance
5 by the Administration under paragraph (2)(A);

6 “(B) litigate any matter relating to the
7 performance of the functions described in sub-
8 paragraph (A), except that the Administration
9 may—

10 “(i) defend or bring any claim if—

11 “(I) the outcome of the litigation
12 may adversely affect the Administra-
13 tion’s management of the loan pro-
14 gram established under section 502;
15 or

16 “(II) the Administration is enti-
17 tled to legal remedies not available to
18 a qualified State or local development
19 company and such remedies will ben-
20 efit either the Administration or the
21 qualified State or local development
22 company; or

23 “(ii) oversee the conduct of any such
24 litigation; and

1 “(C) take other appropriate actions to
2 mitigate loan losses in lieu of total liquidation
3 or foreclosures, including the restructuring of a
4 loan in accordance with prudent loan servicing
5 practices and pursuant to a workout plan ap-
6 proved in advance by the Administration under
7 paragraph (2)(C).

8 “(2) ADMINISTRATION APPROVAL.—

9 “(A) LIQUIDATION PLAN.—

10 “(i) IN GENERAL.—Before carrying
11 out functions described in paragraph
12 (1)(A), a qualified State or local develop-
13 ment company shall submit to the Admin-
14 istration a proposed liquidation plan.

15 “(ii) ADMINISTRATION ACTION ON
16 PLAN.—

17 “(I) TIMING.—Not later than 15
18 business days after a liquidation plan
19 is received by the Administration
20 under clause (i), the Administration
21 shall approve or reject the plan.

22 “(II) NOTICE OF NO DECISION.—

23 With respect to any plan that cannot
24 be approved or denied within the 15-
25 day period required by subclause (I),

1 the Administration shall within such
2 period provide in accordance with sub-
3 paragraph (E) notice to the company
4 that submitted the plan.

5 “(iii) ROUTINE ACTIONS.—In carrying
6 out functions described in paragraph
7 (1)(A), a qualified State or local develop-
8 ment company may undertake routine ac-
9 tions not addressed in a liquidation plan
10 without obtaining additional approval from
11 the Administration.

12 “(B) PURCHASE OF INDEBTEDNESS.—

13 “(i) IN GENERAL.—In carrying out
14 functions described in paragraph (1)(A), a
15 qualified State or local development com-
16 pany shall submit to the Administration a
17 request for written approval before com-
18 mitting the Administration to the purchase
19 of any other indebtedness secured by the
20 property securing a defaulted loan.

21 “(ii) ADMINISTRATION ACTION ON RE-
22 QUEST.—

23 “(I) TIMING.—Not later than 15
24 business days after receiving a request

1 under clause (i), the Administration
2 shall approve or deny the request.

3 “(II) NOTICE OF NO DECISION.—

4 With respect to any request that can-
5 not be approved or denied within the
6 15-day period required by subclause
7 (I), the Administration shall within
8 such period provide in accordance
9 with subparagraph (E) notice to the
10 company that submitted the request.

11 “(C) WORKOUT PLAN.—

12 “(i) IN GENERAL.—In carrying out
13 functions described in paragraph (1)(C), a
14 qualified State or local development com-
15 pany shall submit to the Administration a
16 proposed workout plan.

17 “(ii) ADMINISTRATION ACTION ON
18 PLAN.—

19 “(I) TIMING.—Not later than 15
20 business days after a workout plan is
21 received by the Administration under
22 clause (i), the Administration shall
23 approve or reject the plan.

24 “(II) NOTICE OF NO DECISION.—

25 With respect to any workout plan that

1 cannot be approved or denied within
 2 the 15-day period required by sub-
 3 clause (I), the Administration shall
 4 within such period provide in accord-
 5 ance with subparagraph (E) notice to
 6 the company that submitted the plan.

7 “(D) COMPROMISE OF INDEBTEDNESS.—

8 In carrying out functions described in para-
 9 graph (1)(A), a qualified State or local develop-
 10 ment company may—

11 “(i) consider an offer made by an obli-
 12 gor to compromise the debt for less than
 13 the full amount owing; and

14 “(ii) pursuant to such an offer, re-
 15 lease any obligor or other party contin-
 16 gently liable, if the company secures the
 17 written approval of the Administration.

18 “(E) CONTENTS OF NOTICE OF NO DECI-
 19 SION.—Any notice provided by the Administra-
 20 tion under subparagraphs (A)(ii)(II),
 21 (B)(ii)(II), or (C)(ii)(II)—

22 “(i) shall be in writing;

23 “(ii) shall state the specific reason for
 24 the Administration’s inability to act on a
 25 plan or request;

1 “(iii) shall include an estimate of the
2 additional time required by the Adminis-
3 tration to act on the plan or request; and

4 “(iv) if the Administration cannot act
5 because insufficient information or docu-
6 mentation was provided by the company
7 submitting the plan or request, shall speci-
8 fy the nature of such additional informa-
9 tion or documentation.

10 “(3) CONFLICT OF INTEREST.—In carrying out
11 functions described in paragraph (1), a qualified
12 State or local development company shall take no ac-
13 tion that would result in an actual or apparent con-
14 flict of interest between the company (or any em-
15 ployee of the company) and any third party lender,
16 associate of a third party lender, or any other person
17 participating in a liquidation, foreclosure, or loss
18 mitigation action.

19 “(d) SUSPENSION OR REVOCATION OF AUTHOR-
20 ITY.—The Administration may revoke or suspend a dele-
21 gation of authority under this section to any qualified
22 State or local development company, if the Administration
23 determines that the company—

24 “(1) does not meet the requirements of sub-
25 section (b)(1);

1 “(2) has violated any applicable rule or regula-
2 tion of the Administration or any other applicable
3 law; or

4 “(3) fails to comply with any reporting require-
5 ment that may be established by the Administration
6 relating to carrying out of functions described in
7 paragraph (1).

8 “(e) REPORT.—

9 “(1) IN GENERAL.—Based on information pro-
10 vided by qualified State and local development com-
11 panies and the Administration, the Administration
12 shall annually submit to the Committees on Small
13 Business of the House of Representatives and of the
14 Senate a report on the results of delegation of au-
15 thority under this section.

16 “(2) CONTENTS.—Each report submitted under
17 paragraph (1) shall include the following informa-
18 tion:

19 “(A) With respect to each loan foreclosed
20 or liquidated by a qualified State or local devel-
21 opment company under this section, or for
22 which losses were otherwise mitigated by the
23 company pursuant to a workout plan under this
24 section—

1 “(i) the total cost of the project fi-
2 nanced with the loan;

3 “(ii) the total original dollar amount
4 guaranteed by the Administration;

5 “(iii) the total dollar amount of the
6 loan at the time of liquidation, foreclosure,
7 or mitigation of loss;

8 “(iv) the total dollar losses resulting
9 from the liquidation, foreclosure, or mitiga-
10 tion of loss; and

11 “(v) the total recoveries resulting
12 from the liquidation, foreclosure, or mitiga-
13 tion of loss, both as a percentage of the
14 amount guaranteed and the total cost of
15 the project financed.

16 “(B) With respect to each qualified State
17 or local development company to which author-
18 ity is delegated under this section, the totals of
19 each of the amounts described in clauses (i)
20 through (v) of subparagraph (A).

21 “(C) With respect to all loans subject to
22 foreclosure, liquidation, or mitigation under this
23 section, the totals of each of the amounts de-
24 scribed in clauses (i) through (v) of subpara-
25 graph (A).

1 “(D) A comparison between—

2 “(i) the information provided under
3 subparagraph (C) with respect to the 12-
4 month period preceding the date on which
5 the report is submitted; and

6 “(ii) the same information with re-
7 spect to loans foreclosed and liquidated, or
8 otherwise treated, by the Administration
9 during the same period.

10 “(E) The number of times that the Admin-
11 istration has failed to approve or reject a liq-
12 uidation plan in accordance with subparagraph
13 (A)(i), a workout plan in accordance with sub-
14 paragraph (C)(i), or to approve or deny a re-
15 quest for purchase of indebtedness under sub-
16 paragraph (B)(i), including specific information
17 regarding the reasons for the Administration’s
18 failure and any delays that resulted.”.

19 (b) REGULATIONS.—

20 (1) IN GENERAL.—Not later than 150 days
21 after the date of enactment of this Act, the Adminis-
22 trator shall issue such regulations as may be nec-
23 essary to carry out section 510 of the Small Busi-
24 ness Investment Act of 1958, as added by subsection
25 (a) of this section.

1 (2) TERMINATION OF PILOT PROGRAM.—Begin-
 2 ning on the date which the final regulations are
 3 issued under paragraph (1), section 204 of the
 4 Small Business Programs Improvement Act of 1996
 5 (15 U.S.C. 695 note) shall cease to have effect.

6 **TITLE IV—CORRECTIONS TO**
 7 **THE SMALL BUSINESS IN-**
 8 **VESTMENT ACT OF 1958**

9 **SEC. 401. SHORT TITLE.**

10 This title may be cited as the “Small Business Invest-
 11 ment Corrections Act of 2000”.

12 **SEC. 402. DEFINITIONS.**

13 (a) SMALL BUSINESS CONCERN.—Section
 14 103(5)(A)(i) of the Small Business Investment Act of
 15 1958 (15 U.S.C. 662(5)(A)(i)) is amended by inserting
 16 “regardless of the allocation of control during the invest-
 17 ment period under any investment agreement between the
 18 business concern and the entity making the investment”
 19 before the semicolon at the end.

20 (b) LONG TERM.—Section 103 of the Small Business
 21 Investment Act of 1958 (15 U.S.C. 662) is amended—

22 (1) in paragraph (15), by striking “and” at the
 23 end;

24 (2) in paragraph (16), by striking the period at
 25 the end and inserting “; and”; and

1 (3) by adding at the end the following new
2 paragraph:

3 “(17) the term ‘long term’, when used in con-
4 nection with equity capital or loan funds invested in
5 any small business concern or smaller enterprise,
6 means any period of time not less than 1 year.”.

7 **SEC. 403. INVESTMENT IN SMALL BUSINESS INVESTMENT**
8 **COMPANIES.**

9 Section 302(b) of the Small Business Investment Act
10 of 1958 (15 U.S.C. 682(b)) is amended—

11 (1) by striking “(b) Notwithstanding” and in-
12 serting the following:

13 “(b) FINANCIAL INSTITUTION INVESTMENTS.—

14 “(1) CERTAIN BANKS.—Notwithstanding”; and

15 (2) by adding at the end the following:

16 “(2) CERTAIN SAVINGS ASSOCIATIONS.—Not-
17 withstanding any other provision of law, any Federal
18 savings association may invest in any 1 or more
19 small business investment companies, or in any enti-
20 ty established to invest solely in small business in-
21 vestment companies, except that in no event may the
22 total amount of such investments by any such Fed-
23 eral savings association exceed 5 percent of the cap-
24 ital and surplus of the Federal savings association.”.

1 **SEC. 404. SUBSIDY FEES.**

2 (a) DEBENTURES.—Section 303(b) of the Small
3 Business Investment Act of 1958 (15 U.S.C. 683(b)) is
4 amended by striking “plus an additional charge of 1 per-
5 cent per annum which shall be paid to and retained by
6 the Administration” and inserting “plus, for debentures
7 issued after September 30, 2000, an additional charge, in
8 an amount established annually by the Administration, of
9 not more than 1 percent per year as necessary to reduce
10 to zero the cost (as defined in section 502 of the Federal
11 Credit Reform Act of 1990 (2 U.S.C. 661a)) to the Ad-
12 ministration of purchasing and guaranteeing debentures
13 under this Act, which shall be paid to and retained by
14 the Administration”.

15 (b) PARTICIPATING SECURITIES.—Section 303(g)(2)
16 of the Small Business Investment Act of 1958 (15 U.S.C.
17 683(g)(2)) is amended by striking “plus an additional
18 charge of 1 percent per annum which shall be paid to and
19 retained by the Administration” and inserting “plus, for
20 participating securities issued after September 30, 2000,
21 an additional charge, in an amount established annually
22 by the Administration, of not more than 1 percent per
23 year as necessary to reduce to zero the cost (as defined
24 in section 502 of the Federal Credit Reform Act of 1990
25 (2 U.S.C. 661a)) to the Administration of purchasing and

1 guaranteeing participating securities under this Act, which
2 shall be paid to and retained by the Administration”.

3 **SEC. 405. DISTRIBUTIONS.**

4 Section 303(g)(8) of the Small Business Investment
5 Act of 1958 (15 U.S.C. 683(g)(8)) is amended—

6 (1) by striking “subchapter s corporation” and
7 inserting “subchapter S corporation”;

8 (2) by striking “the end of any calendar quarter
9 based on a quarterly” and inserting “any time dur-
10 ing any calendar quarter based on an”; and

11 (3) by striking “quarterly distributions for a
12 calendar year,” and inserting “interim distributions
13 for a calendar year,”.

14 **SEC. 406. CONFORMING AMENDMENT.**

15 Section 310(c)(4) of the Small Business Investment
16 Act of 1958 (15 U.S.C. 687b(c)(4)) is amended by strik-
17 ing “five years” and inserting “1 year”.

18 **TITLE V—REAUTHORIZATION OF**
19 **SMALL BUSINESS PROGRAMS**

20 **SEC. 501. SHORT TITLE.**

21 This title may be cited as the “Small Business Reau-
22 thorization Act of 2000”.

1 **SEC. 502. REAUTHORIZATION OF SMALL BUSINESS PRO-**
2 **GRAMS.**

3 Section 20 of the Small Business Act (15 U.S.C. 631
4 note) is amended by adding at the end the following:

5 “(g) FISCAL YEAR 2001.—

6 “(1) PROGRAM LEVELS.—The following pro-
7 gram levels are authorized for fiscal year 2001:

8 “(A) For the programs authorized by this
9 Act, the Administration is authorized to
10 make—

11 “(i) \$45,000,000 in technical assist-
12 ance grants as provided in section 7(m);
13 and

14 “(ii) \$60,000,000 in direct loans, as
15 provided in 7(m).

16 “(B) For the programs authorized by this
17 Act, the Administration is authorized to make
18 \$19,050,000,000 in deferred participation loans
19 and other financings. Of such sum, the Admin-
20 istration is authorized to make—

21 “(i) \$14,500,000,000 in general busi-
22 ness loans as provided in section 7(a);

23 “(ii) \$4,000,000,000 in financings as
24 provided in section 7(a)(13) of this Act
25 and section 504 of the Small Business In-
26 vestment Act of 1958;

1 “(iii) \$500,000,000 in loans as pro-
2 vided in section 7(a)(21); and

3 “(iv) \$50,000,000 in loans as pro-
4 vided in section 7(m).

5 “(C) For the programs authorized by title
6 III of the Small Business Investment Act of
7 1958, the Administration is authorized to
8 make—

9 “(i) \$2,500,000,000 in purchases of
10 participating securities; and

11 “(ii) \$1,500,000,000 in guarantees of
12 debentures.

13 “(D) For the programs authorized by part
14 B of title IV of the Small Business Investment
15 Act of 1958, the Administration is authorized
16 to enter into guarantees not to exceed
17 \$4,000,000,000 of which not more than 50 per-
18 cent may be in bonds approved pursuant to sec-
19 tion 411(a)(3) of that Act.

20 “(E) The Administration is authorized to
21 make grants or enter cooperative agreements
22 for a total amount of \$5,000,000 for the Serv-
23 ice Corps of Retired Executives program au-
24 thorized by section 8(b)(1).

25 “(2) ADDITIONAL AUTHORIZATIONS.—

1 “(A) There are authorized to be appro-
2 priated to the Administration for fiscal year
3 2001 such sums as may be necessary to carry
4 out the provisions of this Act not elsewhere pro-
5 vided for, including administrative expenses and
6 necessary loan capital for disaster loans pursu-
7 ant to section 7(b), and to carry out title IV of
8 the Small Business Investment Act of 1958, in-
9 cluding salaries and expenses of the Adminis-
10 tration.

11 “(B) Notwithstanding any other provision
12 of this paragraph, for fiscal year 2001—

13 “(i) no funds are authorized to be
14 used as loan capital for the loan program
15 authorized by section 7(a)(21) except by
16 transfer from another Federal department
17 or agency to the Administration, unless the
18 program level authorized for general busi-
19 ness loans under paragraph (1)(B)(i) is
20 fully funded; and

21 “(ii) the Administration may not ap-
22 prove loans on its own behalf or on behalf
23 of any other Federal department or agen-
24 cy, by contract or otherwise, under terms
25 and conditions other than those specifically

1 authorized under this Act or the Small
2 Business Investment Act of 1958, except
3 that it may approve loans under section
4 7(a)(21) of this Act in gross amounts of
5 not more than \$1,250,000.

6 “(h) FISCAL YEAR 2002.—

7 “(1) PROGRAM LEVELS.—The following pro-
8 gram levels are authorized for fiscal year 2002:

9 “(A) For the programs authorized by this
10 Act, the Administration is authorized to
11 make—

12 “(i) \$60,000,000 in technical assist-
13 ance grants as provided in section 7(m);
14 and

15 “(ii) \$80,000,000 in direct loans, as
16 provided in 7(m).

17 “(B) For the programs authorized by this
18 Act, the Administration is authorized to make
19 \$20,050,000,000 in deferred participation loans
20 and other financings. Of such sum, the Admin-
21 istration is authorized to make—

22 “(i) \$15,000,000,000 in general busi-
23 ness loans as provided in section 7(a);

24 “(ii) \$4,500,000,000 in financings as
25 provided in section 7(a)(13) of this Act

1 and section 504 of the Small Business In-
2 vestment Act of 1958;

3 “(iii) \$500,000,000 in loans as pro-
4 vided in section 7(a)(21); and

5 “(iv) \$50,000,000 in loans as pro-
6 vided in section 7(m).

7 “(C) For the programs authorized by title
8 III of the Small Business Investment Act of
9 1958, the Administration is authorized to
10 make—

11 “(i) \$3,500,000,000 in purchases of
12 participating securities; and

13 “(ii) \$2,500,000,000 in guarantees of
14 debentures.

15 “(D) For the programs authorized by part
16 B of title IV of the Small Business Investment
17 Act of 1958, the Administration is authorized
18 to enter into guarantees not to exceed
19 \$5,000,000,000 of which not more than 50 per-
20 cent may be in bonds approved pursuant to sec-
21 tion 411(a)(3) of that Act.

22 “(E) The Administration is authorized to
23 make grants or enter cooperative agreements
24 for a total amount of \$6,000,000 for the Serv-

1 ice Corps of Retired Executives program au-
2 thorized by section 8(b)(1).

3 “(2) ADDITIONAL AUTHORIZATIONS.—

4 “(A) There are authorized to be appro-
5 priated to the Administration for fiscal year
6 2002 such sums as may be necessary to carry
7 out the provisions of this Act not elsewhere pro-
8 vided for, including administrative expenses and
9 necessary loan capital for disaster loans pursu-
10 ant to section 7(b), and to carry out title IV of
11 the Small Business Investment Act of 1958, in-
12 cluding salaries and expenses of the Adminis-
13 tration.

14 “(B) Notwithstanding any other provision
15 of this paragraph, for fiscal year 2002—

16 “(i) no funds are authorized to be
17 used as loan capital for the loan program
18 authorized by section 7(a)(21) except by
19 transfer from another Federal department
20 or agency to the Administration, unless the
21 program level authorized for general busi-
22 ness loans under paragraph (1)(B)(i) is
23 fully funded; and

24 “(ii) the Administration may not ap-
25 prove loans on its own behalf or on behalf

1 of any other Federal department or agen-
2 cy, by contract or otherwise, under terms
3 and conditions other than those specifically
4 authorized under this Act or the Small
5 Business Investment Act of 1958, except
6 that it may approve loans under section
7 7(a)(21) of this Act in gross amounts of
8 not more than \$1,250,000.

9 “(i) FISCAL YEAR 2003.—

10 “(1) PROGRAM LEVELS.—The following pro-
11 gram levels are authorized for fiscal year 2003:

12 “(A) For the programs authorized by this
13 Act, the Administration is authorized to
14 make—

15 “(i) \$70,000,000 in technical assist-
16 ance grants as provided in section 7(m);
17 and

18 “(ii) \$100,000,000 in direct loans, as
19 provided in 7(m).

20 “(B) For the programs authorized by this
21 Act, the Administration is authorized to make
22 \$21,550,000,000 in deferred participation loans
23 and other financings. Of such sum, the Admin-
24 istration is authorized to make—

1 “(i) \$16,000,000,000 in general busi-
2 ness loans as provided in section 7(a);

3 “(ii) \$5,000,000,000 in financings as
4 provided in section 7(a)(13) of this Act
5 and section 504 of the Small Business In-
6 vestment Act of 1958;

7 “(iii) \$500,000,000 in loans as pro-
8 vided in section 7(a)(21); and

9 “(iv) \$50,000,000 in loans as pro-
10 vided in section 7(m).

11 “(C) For the programs authorized by title
12 III of the Small Business Investment Act of
13 1958, the Administration is authorized to
14 make—

15 “(i) \$4,000,000,000 in purchases of
16 participating securities; and

17 “(ii) \$3,000,000,000 in guarantees of
18 debentures.

19 “(D) For the programs authorized by part
20 B of title IV of the Small Business Investment
21 Act of 1958, the Administration is authorized
22 to enter into guarantees not to exceed
23 \$6,000,000,000 of which not more than 50 per-
24 cent may be in bonds approved pursuant to sec-
25 tion 411(a)(3) of that Act.

1 “(E) The Administration is authorized to
2 make grants or enter into cooperative agree-
3 ments for a total amount of \$7,000,000 for the
4 Service Corps of Retired Executives program
5 authorized by section 8(b)(1).

6 “(2) ADDITIONAL AUTHORIZATIONS.—

7 “(A) There are authorized to be appro-
8 priated to the Administration for fiscal year
9 2003 such sums as may be necessary to carry
10 out the provisions of this Act not elsewhere pro-
11 vided for, including administrative expenses and
12 necessary loan capital for disaster loans pursu-
13 ant to section 7(b), and to carry out title IV of
14 the Small Business Investment Act of 1958, in-
15 cluding salaries and expenses of the Adminis-
16 tration.

17 “(B) Notwithstanding any other provision
18 of this paragraph, for fiscal year 2003—

19 “(i) no funds are authorized to be
20 used as loan capital for the loan program
21 authorized by section 7(a)(21) except by
22 transfer from another Federal department
23 or agency to the Administration, unless the
24 program level authorized for general busi-

1 ness loans under paragraph (1)(B)(i) is
2 fully funded; and

3 “(ii) the Administration may not ap-
4 prove loans on its own behalf or on behalf
5 of any other Federal department or agen-
6 cy, by contract or otherwise, under terms
7 and conditions other than those specifically
8 authorized under this Act or the Small
9 Business Investment Act of 1958, except
10 that it may approve loans under section
11 7(a)(21) of this Act in gross amounts of
12 not more than \$1,250,000.”.

13 **SEC. 503. ADDITIONAL REAUTHORIZATIONS.**

14 (a) SMALL BUSINESS DEVELOPMENT CENTERS PRO-
15 GRAM.—Section 21(a)(4)(C)(iii)(III) of the Small Busi-
16 ness Act (15 U.S.C. 648(a)(4)(C)(iii)(III)) is amended by
17 striking “\$95,000,000” and inserting “\$125,000,000”.

18 (b) DRUG-FREE WORKPLACE PROGRAM.—Section 27
19 of the Small Business Act (15 U.S.C. 654) is amended—

20 (1) in the section heading, by striking
21 **“DRUG-FREE WORKPLACE DEM-**
22 **ONSTRATION PROGRAM”** and inserting
23 **“PAUL D. COVERDELL DRUG-FREE**
24 **WORKPLACE PROGRAM”**; and

1 (2) in subsection (g)(1), by striking
2 “\$10,000,000 for fiscal years 1999 and 2000” and
3 inserting “\$5,000,000 for each of fiscal years 2001
4 through 2003”.

5 (c) HUBZONE PROGRAM.—Section 31 of the Small
6 Business Act (15 U.S.C. 657a) is amended by adding at
7 the end the following new subsection:

8 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
9 is authorized to be appropriated to carry out the program
10 established by this section \$10,000,000 for each of fiscal
11 years 2001 through 2003.”.

12 (d) WOMEN’S BUSINESS ENTERPRISE DEVELOP-
13 MENT PROGRAMS.—Section 411 of the Women’s Business
14 Ownership Act (Public Law 105–135; 15 U.S.C. 631 note)
15 is amended by striking “\$600,000, for each of fiscal years
16 1998 through 2000,” and inserting “\$1,000,000 for each
17 of fiscal years 2001 through 2003,”.

18 (e) VERY SMALL BUSINESS CONCERNS PROGRAM.—
19 Section 304(i) of the Small Business Administration Re-
20 authorization and Amendments Act of 1994 (Public Law
21 103–403; 15 U.S.C. 644 note) is amended by striking
22 “September 30, 2000” and inserting “September 30,
23 2003”.

24 (f) SOCIALLY AND ECONOMICALLY DISADVANTAGED
25 BUSINESSES PROGRAM.—Section 7102(c) of the Federal

1 Acquisition Streamlining Act of 1994 (Public Law 103–
 2 355; 15 U.S.C. 644 note) is amended by striking “Sep-
 3 tember 30, 2000” and inserting “September 30, 2003”.

4 **TITLE VI—MISCELLANEOUS** 5 **PROVISIONS**

6 **SEC. 601. LOAN APPLICATION PROCESSING.**

7 (a) STUDY.—The Administrator of the Small Busi-
 8 ness Administration shall conduct a study to determine
 9 the average time that the Administration requires to proc-
 10 ess an application for each type of loan or loan guarantee
 11 made under the Small Business Act (15 U.S.C. 631 et
 12 seq.).

13 (b) TRANSMITTAL.—Not later than 1 year after the
 14 date of the enactment of this title, the Administrator shall
 15 transmit to Congress the results of the study conducted
 16 under subsection (a).

17 **SEC. 602. APPLICATION OF OWNERSHIP REQUIREMENTS.**

18 Section 2 of the Small Business Act (15 U.S.C. 631)
 19 is amended by adding at the end the following new sub-
 20 section:

21 “(k) APPLICATION OF OWNERSHIP REQUIRE-
 22 MENTS.—Each ownership requirement established under
 23 this Act or the Small Business Investment Act of 1958
 24 (15 U.S.C. 661 et seq.) shall be applied without regard
 25 to any possible future ownership interest of a spouse aris-

1 ing from the application of any State community property
 2 law established for the purpose of determining marital in-
 3 terest.”.

4 **SEC. 603. ELIGIBILITY FOR HUBZONE PROGRAM.**

5 Section 3(p)(5) of the Small Business Act (15 U.S.C.
 6 632(p)(5)) is amended by adding at the end the following
 7 new subparagraph:

8 “(E) EXTENSION OF ELIGIBILITY.—If a
 9 geographic area that qualified as a HUBZone
 10 under this subsection ceases to qualify as a re-
 11 sult of a change in official government data or
 12 boundary designations, each small business con-
 13 cern certified as HUBZone small business con-
 14 cern in connection with such geographic area
 15 shall remain certified as such for a period of 1
 16 year after the effective date of the change in
 17 HUBZone status, if the small business concern
 18 continues to meet each of the other qualifica-
 19 tions applicable to a HUBZone small business
 20 concern.”.

21 **SEC. 604. SUBCONTRACTING PREFERENCE FOR VETERANS.**

22 Section 8(d) of the Small Business Act (15 U.S.C.
 23 637(d)) is amended—

24 (1) in paragraph (1), by inserting “small busi-
 25 ness concerns owned and controlled by veterans,”

1 after “small business concerns,” the first place that
 2 term appears in each of the first and second sen-
 3 tences;

4 (2) in paragraph (3)—

5 (A) in subparagraph (A), by inserting
 6 “small business concerns owned and controlled
 7 by service-disabled veterans,” after “small busi-
 8 ness concerns owned and controlled by vet-
 9 erans,” in each of the first and second sen-
 10 tences; and

11 (B) in subparagraph (F), by inserting
 12 “small business concern owned and controlled
 13 by service-disabled veterans,” after “small busi-
 14 ness concern owned and controlled by vet-
 15 erans,”; and

16 (3) in each of paragraphs (4)(D), (4)(E),
 17 (6)(A), (6)(C), (6)(F), and (10)(B), by inserting
 18 “small business concern owned and controlled by
 19 service-disabled veterans,” after “small business con-
 20 cerns owned and controlled by veterans,”.

21 **SEC. 605. SMALL BUSINESS DEVELOPMENT CENTER PRO-**
 22 **GRAM FUNDING.**

23 (a) AUTHORIZATION.—

24 (1) IN GENERAL.—Section 20(a)(1) of the
 25 Small Business Act (15 U.S.C. 631 note) is amend-

1 ed by striking “For fiscal year 1985” and all that
2 follows through “expended.” and inserting the fol-
3 lowing: “For fiscal year 2000 and each fiscal year
4 thereafter, there are authorized to be appropriated
5 such sums as may be necessary and appropriate, to
6 remain available until expended, and to be available
7 solely—

8 “(A) to carry out the Small Business Develop-
9 ment Center Program under section 21, but not to
10 exceed the annual funding level, as specified in sec-
11 tion 21(a);

12 “(B) to pay the expenses of the National Small
13 Business Development Center Advisory Board, as
14 provided in section 21(i);

15 “(C) to pay the expenses of the information
16 sharing system, as provided in section 21(c)(8);

17 “(D) to pay the expenses of the association re-
18 ferred to in section 21(a)(3)(A) for conducting the
19 certification program, as provided in section
20 21(k)(2); and

21 “(E) to pay the expenses of the Administration,
22 including salaries of examiners, for conducting ex-
23 aminations as part of the certification program con-
24 ducted by the association referred to in section
25 21(a)(3)(A).”.

1 (2) TECHNICAL AMENDMENT.—Section 20(a) of
2 the Small Business Act (15 U.S.C. 631 note) is fur-
3 ther amended by moving paragraphs (3) and (4), in-
4 cluding subparagraphs (A) and (B) of paragraph
5 (4), 2 ems to the left.

6 (b) FUNDING FORMULA.—Section 21(a)(4)(C) of the
7 Small Business Act (15 U.S.C. 648(a)(4)(C)) is amended
8 to read as follows:

9 “(C) FUNDING FORMULA.—

10 “(i) IN GENERAL.—Subject to clause (iii),
11 the amount of a formula grant received by a
12 State under this subparagraph shall be equal to
13 an amount determined in accordance with the
14 following formula:

15 “(I) The annual amount made avail-
16 able under section 20(a) for the Small
17 Business Development Center Program,
18 less any reductions made for expenses au-
19 thorized by clause (v) of this subpara-
20 graph, shall be divided on a pro rata basis,
21 based on the percentage of the population
22 of each State, as compared to the popu-
23 lation of the United States.

24 “(II) If the pro rata amount cal-
25 culated under subclause (I) for any State

1 is less than the minimum funding level
2 under clause (iii), the Administration shall
3 determine the aggregate amount necessary
4 to achieve that minimum funding level for
5 each such State.

6 “(III) The aggregate amount cal-
7 culated under subclause (II) shall be de-
8 ducted from the amount calculated under
9 subclause (I) for States eligible to receive
10 more than the minimum funding level. The
11 deductions shall be made on a pro rata
12 basis, based on the population of each such
13 State, as compared to the total population
14 of all such States.

15 “(IV) The aggregate amount deducted
16 under subclause (III) shall be added to the
17 grants of those States that are not eligible
18 to receive more than the minimum funding
19 level in order to achieve the minimum
20 funding level for each such State, except
21 that the eligible amount of a grant to any
22 State shall not be reduced to an amount
23 below the minimum funding level.

24 “(ii) GRANT DETERMINATION.—The
25 amount of a grant that a State is eligible to

1 apply for under this subparagraph shall be the
2 amount determined under clause (i), subject to
3 any modifications required under clause (iii),
4 and shall be based on the amount available for
5 the fiscal year in which performance of the
6 grant commences, but not including amounts
7 distributed in accordance with clause (iv). The
8 amount of a grant received by a State under
9 any provision of this subparagraph shall not ex-
10 ceed the amount of matching funds from
11 sources other than the Federal Government, as
12 required under subparagraph (A).

13 “(iii) MINIMUM FUNDING LEVEL.—The
14 amount of the minimum funding level for each
15 State shall be determined for each fiscal year
16 based on the amount made available for that
17 fiscal year to carry out this section, as follows:

18 “(I) If the amount made available is
19 not less than \$81,500,000 and not more
20 than \$90,000,000, the minimum funding
21 level shall be \$500,000.

22 “(II) If the amount made available is
23 less than \$81,500,000, the minimum fund-
24 ing level shall be the remainder of
25 \$500,000 minus a percentage of \$500,000

1 equal to the percentage amount by which
2 the amount made available is less than
3 \$81,500,000.

4 “(III) If the amount made available is
5 more than \$90,000,000, the minimum
6 funding level shall be the sum of \$500,000
7 plus a percentage of \$500,000 equal to the
8 percentage amount by which the amount
9 made available exceeds \$90,000,000.

10 “(iv) DISTRIBUTIONS.—Subject to clause
11 (iii), if any State does not apply for, or use, its
12 full funding eligibility for a fiscal year, the Ad-
13 ministration shall distribute the remaining
14 funds as follows:

15 “(I) If the grant to any State is less
16 than the amount received by that State in
17 fiscal year 2000, the Administration shall
18 distribute such remaining funds, on a pro
19 rata basis, based on the percentage of
20 shortage of each such State, as compared
21 to the total amount of such remaining
22 funds available, to the extent necessary in
23 order to increase the amount of the grant
24 to the amount received by that State in

2000, or until such funds are exhausted,
whichever first occurs.

“(II) If any funds remain after the
application of subclause (I), the remaining
amount may be distributed as supple-
mental grants to any State, as the Admin-
istration determines, in its discretion, to be
appropriate, after consultation with the as-
sociation referred to in subsection
(a)(3)(A).

“(v) USE OF AMOUNTS.—

“(I) IN GENERAL.—Of the amounts
made available in any fiscal year to carry
out this section—

“(aa) not more than \$500,000
may be used by the Administration to
pay expenses enumerated in subpara-
graphs (B) through (D) of section
20(a)(1); and

“(bb) not more than \$500,000
may be used by the Administration to
pay the examination expenses enumer-
ated in section 20(a)(1)(E).

“(II) LIMITATION.—No funds de-
scribed in subclause (I) may be used for

1 examination expenses under section
2 20(a)(1)(E) if the usage would reduce the
3 amount of grants made available under
4 clause (i)(I) to less than \$85,000,000
5 (after excluding any amounts provided in
6 appropriations Acts for specific institutions
7 or for purposes other than the general
8 small business development center pro-
9 gram) or would further reduce the amount
10 of such grants below such amount.

11 “(vi) EXCLUSIONS.—Grants provided to a
12 State by the Administration or another Federal
13 agency to carry out subsection (c)(3)(G) or
14 (a)(6) or supplemental grants set forth in
15 clause (iv)(II) of this subparagraph, shall not
16 be included in the calculation of maximum
17 funding for a State under clause (ii) of this
18 subparagraph.

19 “(vii) AUTHORIZATION OF APPROPRIA-
20 TIONS.—There is authorized to be appropriated
21 to carry out this subparagraph \$125,000,000
22 for each of fiscal years 2001, 2002, and 2003.

23 “(viii) STATE DEFINED.—In this subpara-
24 graph, the term ‘State’ means each of the sev-
25 eral States, the District of Columbia, the Com-

1 monwealth of Puerto Rico, the Virgin Islands,
 2 Guam, American Samoa, the Commonwealth of
 3 the Northern Mariana Islands, and any other
 4 commonwealth, territory, or possession of the
 5 United States.”.

6 **SEC. 606. SURETY BONDS.**

7 (a) **CONTRACT AMOUNTS.**—Section 411 of the Small
 8 Business Investment Act of 1958 (15 U.S.C. 694b) is
 9 amended—

10 (1) in subsection (a)(1), by striking
 11 “\$1,250,000” and inserting “\$2,000,000”; and

12 (2) in subsection (e)(2), by striking
 13 “\$1,250,000” and inserting “\$2,000,000”.

14 (b) **EXTENSION OF CERTAIN AUTHORITY.**—Section
 15 207 of the Small Business Administration Reauthorization
 16 and Amendment Act of 1988 (15 U.S.C. 694b note) is
 17 amended by striking “2000” and inserting “2003”.

Attest:

Clerk.